

STATE OF VERMONT

HUMAN SERVICES BOARD

In re ) Fair Hearing No. R-03/08-125  
 )  
Appeal of )

INTRODUCTION

The petitioner appeals the decision by the Department for Children and Families, Health Access Eligibility Unit terminating her eligibility for Medicaid until she meets a "spenddown" amount of \$5,757. The issue is whether the Department correctly determined the petitioner's income. The following facts are not in dispute.

FINDINGS OF FACT

1. The petitioner began receiving Medicaid in 2003. At that time, the Department incorrectly determined that the petitioner was a recipient of SSI (Supplemental Security Income) based on her disability. In fact, the source of the petitioner's income was SSDI (Social Security Disability Insurance). Under Medicaid eligibility rules, individuals who receive SSI are allowed "separate household" status, and are automatically eligible for Medicaid. Individuals who receive SSDI are subject to "household income" rules, and

their financial eligibility is determined based on the income of all household members.

2. The petitioner's husband is employed and he also receives monthly pension income.

3. In March 2008, during a routine periodic review of the petitioner's eligibility, the Department discovered that it had incorrectly "coded" the petitioner as an SSI recipient. Based on the petitioner's *and* her husband's reported income, it determined that the petitioner would be subject to a six-month spenddown amount of \$5,757 before the petitioner could be financially eligible for Medicaid.

4. At the hearing in this matter (held on June 6, 2008) the petitioner's husband (who appeared in the petitioner's behalf) did not dispute that his wife receives SSDI, not SSI, and that the Department had correctly determined the household's income in March 2008. The husband alleged, however, that his earned income had recently decreased, and he was advised to reapply on the petitioner's behalf.

5. Unfortunately, the petitioner has acute medical needs. However, it appears that she became eligible for Medicare Part B benefits as of July 1, 2008, which is likely to substantially mitigate the loss of her Medicaid.

ORDER

The Department's decision is affirmed.

REASONS

As noted above, there is no dispute that the Department as of March 2008 correctly determined both the sources and amounts of the petitioner's household income. Under Medicaid rules, for households that do not include a member receiving SSI, the earned and unearned income of all household members is considered in determining financial eligibility for Medicaid. See W.A.M. § M340 *et seq.* Although the loss of her Medicaid was unexpected and drastic, the petitioner is not liable to repay any of the benefits she received for several years due to the Department's error in misattributing the source of her income. As noted above, the petitioner can also reapply for Medicaid, or other medical benefits, if her household income changes.

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